



Weekly overview of short news

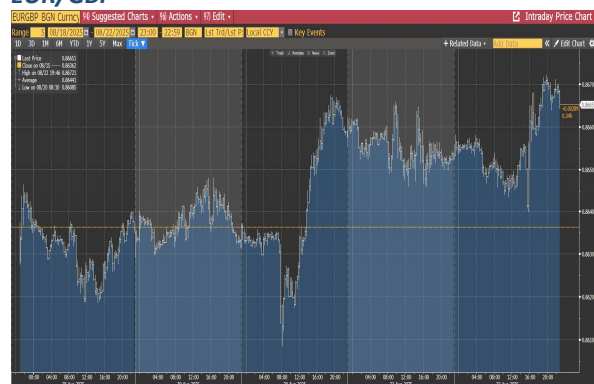
- The price of gold rose from \$3,333.04 to \$3,371.86 an ounce this week, mostly due to a fall in the dollar and government bond yields, after the Fed chairman cautiously "opened the door" to cutting interest rates in September, pointing to rising risks in the labour market despite still existing inflation concerns.
- The price of oil rose from \$66.05 to \$67.36 per barrel this week due to the drop in oil stocks, strong demand, uncertainty about the war in Ukraine, as well as the Fed president's signal that the bank might be "open" to lowering interest rates in September.
- S&P confirmed the US's AA+ credit rating, saying revenue from tariffs imposed by Donald Trump's administration could ease the fiscal effects of his recently passed tax cut and spending increase bill, the so called "Big Beautiful Bill." Fitch also confirmed the AA+ credit rating of the U.S. Fitch cites financing flexibility and the dominance of the dollar, despite rising debt and deficits. The rating outlook remained stable according to both S&P and Fitch.
- The Fed's minutes released last night showed that the Fed was largely unanimous in its decision to keep interest rates unchanged in July, as they "assessed that the effects of higher tariffs have become more visible in the prices of certain commodities, but that their overall impact on economic activity and inflation remains to be seen."

EUR/USD



The EUR/USD exchange rate had a downward trend for most of the week. During the week, the expectation of the Fed President's speech in Jackson Hole caused the exchange rate to weaken. In addition, positive data from the USA influenced the exchange rate to weaken. Namely, it was announced this week that the composite PMI rose to 55.4 in August, from 55.1 in July and was above the expected 53. However, on Friday, the exchange rate erased the entire decline that occurred during the week and ended it at a higher level. After the Fed President's speech in Jackson Hole, expectations that the Fed will lower the interest rate at the September meeting increased. The Fed President said that the weakening of the labour market and the downward revision of the data for April and May justify easing the monetary policy.

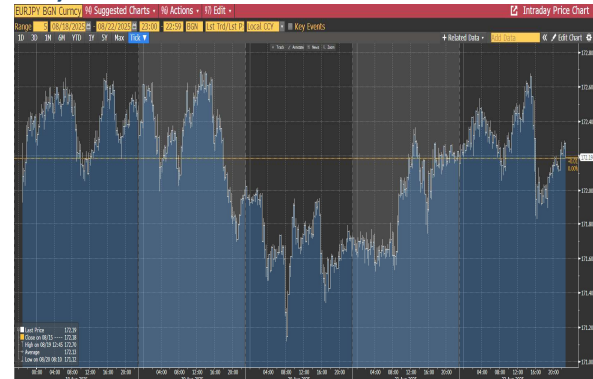
EUR/GBP



The EUR/GBP exchange rate was stable during the first two days of this week. The exchange

rate increased on Wednesday as it was announced that the British Chancellor of the Exchequer is considering to introduce a tax on selling valuable family homes, in order to cover 51 billion pounds deficit. The exchange rate fell slightly the following day, only to rise again on Friday as expectations grew that the Bank of England could reduce the interest rate by 25bp by the year-end and that it could do the same in 2026.

EUR/JPY



The EUR/JPY exchange rate did not change much on the weekly level, fluctuating in a narrow span between 172.70 and 171.12 during the week. Core inflation in Japan rose by 3.1% year-on-year in July, which was slightly above expectations but lower than June's 3.3%, whereas the overall inflation rate was at the expected level of 3.1%.

Table 1 - Exchange rates of the most important currencies

| | 18-Aug-2025 ¹ | 22-Aug-2025 ² | % Change |
|---------|--------------------------|--------------------------|----------|
| EUR/USD | 1.1703 | 1.1718 | 0.13 |
| EUR/GBP | 0.86362 | 0.86651 | 0.33 |
| EUR/JPY | 172.18 | 172.19 | 0.01 |
| EUR/AUD | 1.79800 | 1.80663 | 0.48 |
| EUR/CHF | 0.94384 | 0.93948 | -0.46 |
| USD/JPY | 147.19 | 146.94 | -0.17 |
| GBP/USD | 1.3554 | 1.3525 | -0.21 |

Table 2 - Overview of the leading central banks' interest rates

| Central Bank | Reference interest rate | Reference interest rate level | Next meeting |
|---------------------------------|---------------------------|-------------------------------|--------------|
| European Central Bank (ECB) | ECB main refinancing rate | 2.15% | 11-Sep-2025 |
| Federal Reserves (Fed) | Federal Funds Target Rate | 4.50% | 17-Sep-2025 |
| Bank of Japan (BoJ) | Overnight Call Rate | 0.50% | 19-Sep-2025 |
| Bank of England (BoE) | Official Bank Rate | 4.00% | 6-Nov-2025 |
| Swiss National Bank (SNB) | Libor Target Rate | 0.00% | 25-Sep-2025 |
| Bank of Canada (BoC) | Target Overnight Rate | 2.75% | 17-Sep-2025 |
| Reserve Bank of Australia (RBA) | Cash Rate Target | 3.85% | 30-Sep-2025 |

Table 3 – ESTR and Euribor

| | 18-Aug-2025 ¹ | 22-Aug-2025. ² | Change in basis points |
|-------------|--------------------------|---------------------------|------------------------|
| ESTR | 1.924 | 1.926 | 0.2 |
| Euribor 1W | 1.882 | 1.899 | 1.7 |
| Euribor 1M | 2.206 | 1.889 | -31.7 |
| Euribor 3M | 2.111 | 2.017 | -9.4 |
| Euribor 6M | 2.083 | 2.057 | -2.6 |
| Euribor 12M | 2.092 | 2.084 | -0.8 |

¹Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic Indicators (18 - 22 August 2025)

| Country | Indicator | Period | Expected value | Current value | Previous value |
|---------------|---|----------------------------|----------------|----------------|----------------|
| Great Britain | Consumer price index (CPI) Estimates changes in the cost of living by measuring changes in the prices of certain items for which the consumers allocate their money. | July MoM% YoY% | 0.0% 3.7% | 0.1% 3.8% | 0.3% 3.6% |
| | Consumer Confident This index measures the level of households' confidence in terms of economic performance. | August | -19 | -17 | -19 |
| Euro area | Consumer price index (CPI) Estimates changes in the cost of living by measuring changes in the prices of certain items for which the consumers allocate their money. | July MoM% YoY% | 2.0% 0.0% | 2.0% 0.0% | 2.0% 0.0% |
| | HCOB Composite PMI The index is based on surveys of over 300 executives in production and service companies in the private sector. Each response is weighted according to the size of the company and its contribution to total production or service production. | August Preliminary data | 50.6 | 51.1 | 50.9 |
| | Consumer Confidence It measures consumer confidence in euro area countries. This figure is the result of a survey of euro area consumers in terms of their labour market finances, willingness to save, and expectations regarding the economy. | August Preliminary data | -14.7 | -15.5 | -14.7 |
| Germany | Gross domestic product (GDP) It measures the value of products and services produced inside the country. GDP is the most comprehensive measure of economic output and provides a key insight into an economy's main drivers. | July QoQ% YoY% | -0.1% 0.0% | -0.3% -0.2% | -0.1% 0.0% |
| France | HCOB Composite PMI The index is based on surveys of over 300 executives in production and service companies in the private sector. Each response is weighted according to the size of the company and its contribution to total production or service production. | August Preliminary data | 48.5 | 49.8 | 48.6 |
| Japan | Exports Products and services produced in Japan, sold or pending for sale outside of Japan. | July YoY% | -2.1% | -2.6% | -0.5% |
| | Imports Demand for foreign products. The value of exports and imports is an important input in the calculations of the trade balance, current account and GDP. | July YoY% | -10.0% | -7.5% | 0.2% |
| USA | Initial Jobless Claims It measures the number of people filing for unemployment benefits for the first time. | 16 August k=thousand | 225K | 235K | 224K |

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German government bonds fell slightly from 2.78% to 2.72% in this reporting week. The yield fluctuated on Monday and averaged at 2.76%. The rest of the week saw a decline in yields after the auction of bonds maturing in 2054 attracted solid demand. Yields recovered on Thursday as data showed the euro area private sector grew at its fastest rate in 15 months, prompting the market to lower expectations for central bank monetary easing. The yield fell at the very end of the week after the Fed Chairman, Jerome Powell, noted that the risks in terms of employment are growing and indicated the possibility of adjusting interest rates.

U.S. GOVERNMENT BONDS MARKET



During this reporting week, the yield on 10-year U.S. government bonds dropped from 4.31% to 4.25%. The yields rose on Monday ahead of the Fed chairman's speech at the Jackson Hole Symposium. The yield weakened over the next two days due to the expectation that the Fed will lower the interest rate at the next meeting. The yield rose again on Thursday as encouraging U.S. data was released and the probability that the Fed will cut interest rates in September decreased. In addition, the Fed President's statement in Cleveland, that he would not support the reduction of the interest rate if the meeting was held "tomorrow" due to inflation data, also had an impact on the yield growth. The yield recorded a sharper decline on the last day of the week after the Fed chairman said in Jackson Hole that the increase of risks to the U.S. economy may require an adjustment of interest rates, which led traders to continue to expect that there will be two cuts of 25bp each this year.

GOLD



The price of gold rose this week from \$3,333.04 to \$3,371.86 per ounce. The price of gold rose in the first half of the day on Monday, only to fall in the second as the dollar rose against a basket of currencies. Also, investors have positioned themselves ahead of the symposium in Jackson Hole. The price drop continued the next day as traders assessed U.S. efforts to end the war in Ukraine. The price of gold rose on Wednesday following the news that U.S. President Donald Trump is calling on Fed Board Governor Lisa Cook to resign over potential mortgage fraud. The price of gold rose on the last day of week of as the dollar and bond yields fell after the Fed chairman cautiously "opened the door" to a rate cut in September, pointing to rising risks in the labour market regardless of the fact that concerns about inflation persisted.

OIL



The price of oil rose from \$66.05 to \$67.36 per barrel this week. The price of oil fluctuated on Monday and fell on Tuesday as potential negotiations between Russia, Ukraine and the U.S. raised hopes that the ban on oil exports from Russia would be lifted. The price of oil rose as of Wednesday until the end of the week due to the drop in oil stocks in the previous week, strong demand, uncertainty regarding the war in Ukraine, as well as due to signals from the Fed President (which came out on Friday), that the bank would be "open" to reducing interest rates in September.

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